



City of Austin, Texas

\$135,000,000

**Water and Wastewater System Revenue Refunding Bonds,
Series 2007**



The PFM Group

Public Financial Management Inc
PFM Asset Management LLC
PFM Advisors

**Pricing Report
November 8, 2007**



\$135,000,000
Water and Wastewater System
Revenue Refunding Bonds, Series 2007

Refunding Bonds - The Bonds are being issued to refund approximately \$135,000,000 of the City's outstanding Tax-Exempt Commercial Paper issued for the Water and Wastewater System.



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\$135,000,000
Water and Wastewater System
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ISSUER	City of Austin, Texas
TYPE OF SALE	Competitive
BOND COUNSEL	Fulbright & Jaworski L L.P.
FINANCIAL ADVISOR	The PFM Group
BOND INSURER	XL Capital Assurance Inc
PURCHASER	Morgan Stanley & Co , Inc



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Bond Market Update

MARKET POST MUNIS UNCHANGED WITH SLIGHTLY WEAKER TONE Nov 8 2007 10 44

By Michael Scarchilli and Dakin Campbell, The Bond Buyer NEW YORK (Thomson)--The municipal market was unchanged with a slightly weaker tone this morning, as weekly initial jobless claims came in lower than expected. "I would say it's pretty much unchanged and some of the lower credit stuff is down," a trader in New York said. "The market is skewed everywhere. Bids are all over the place, and with people being this nervous it's tough to tell where the market is. Liquidity is down and retail is becoming the best bid now, at these levels." Trades reported by the Municipal Securities Rulemaking Board are mostly unchanged. A dealer sold to a customer Washington 4 75s of 2015 at 3 60%, even with where they traded yesterday. A dealer sold to a customer Hanson, Mass, 4s of 2025 at 4 07%, even with where they traded Wednesday. Bonds from an interdealer trade of insured Downingtown Area School District, Pa, 4 1s of 2020 yielded 4 12%, down one basis point from where they sold yesterday. The Treasury market, however, was slightly firmer this morning. The yield on the benchmark 10-year Treasury note, which opened at 4 31%, was recently quoted at 4 30%. The yield on the two-year note was quoted recently at 3 53%, after opening at 3 56%. In economic data today, initial jobless claims for the week ended Nov 3 came in at 317,000, after a revised 330,000 the previous week. Also, continuing jobless claims for the week ended Oct 27 came in at 2 579 million, after a revised 2 583 million the prior week. Economists polled by IFR Markets had predicted 326,000 initial claims and 2 575 million continuing claims. In the new-issue market today, Morgan Stanley will price \$600 million of aviation revenue refunding bonds for Miami-Dade County to benefit the Miami International Airport. The credit is rated A2 by Moody's Investors Service, A-minus by Standard & Poor's, and A by Fitch Ratings.

Visible Supply The Bond Buyer's 30-day visible supply fell \$1 315 billion to \$12 372 billion. The total is comprised of \$3 334 billion of competitive deals and \$9 038 billion of negotiated bonds.

Previous Session's Activity The Municipal Securities Rulemaking Board reported 40,589 trades Wednesday of 14,569 separate issues for volume of \$28 851 billion. Most active was Franklin County, Mo, 4 5s of 2032, which traded 165 times at a high of par and a low of 97 75.

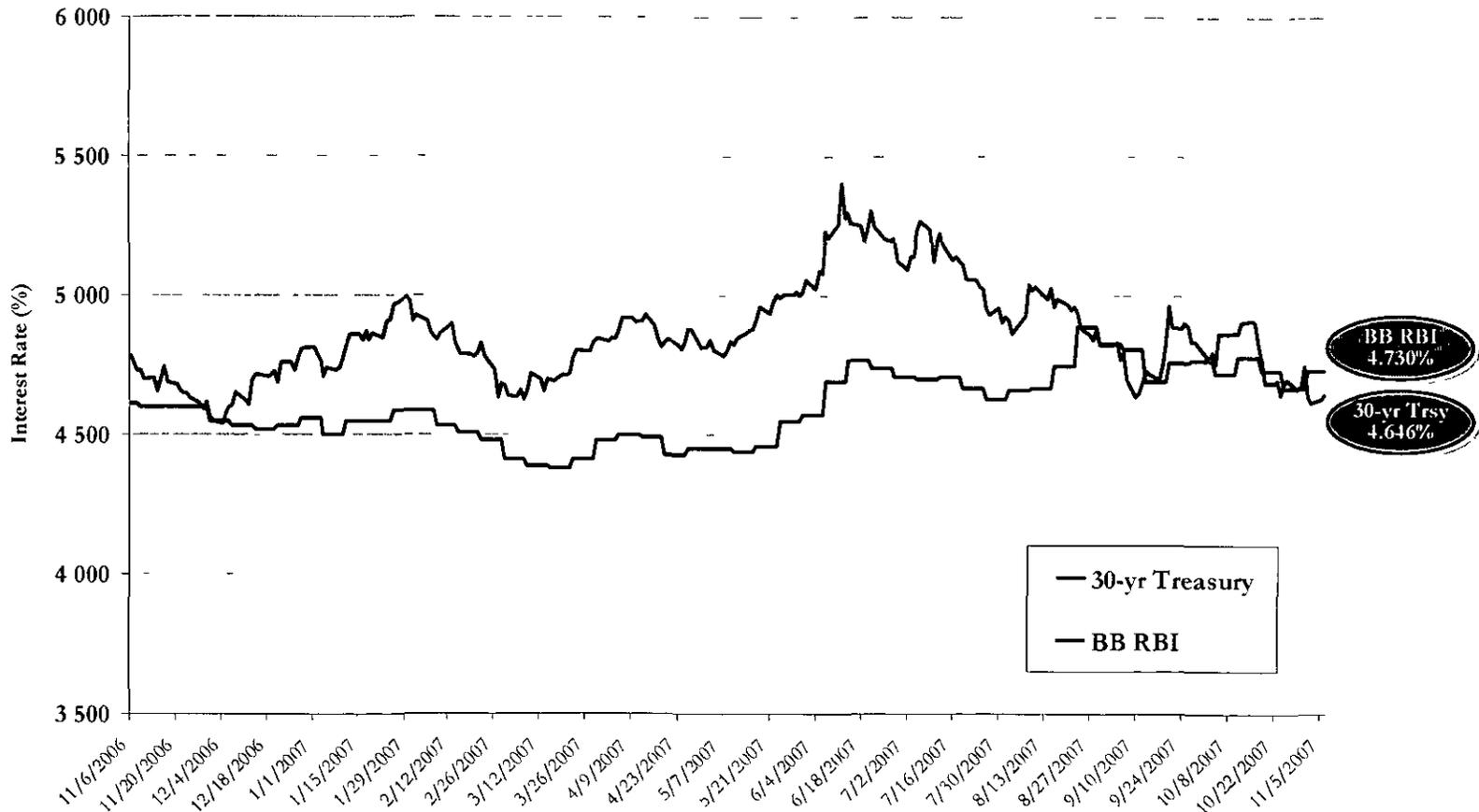


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Bond Buyer Revenue Bond Index vs. 30 Year Treasury November 2006 through November 2007



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Municipal Markets Calendar

COMPETITIVE

Week of	Amount	Issuer	State	Issue	Manager
November 5, 2007	\$ 135,000,000	Austin, City of	TX	Rev	N/A
November 5, 2007	\$ 53,000,000	Waxahatchie, City of	TX	GO	N/A
November 5, 2007	\$ 176,075,000	Virginia, State of	VA	GO	N/A
November 5, 2007	\$ 27,245,000	Madison, City of	WI	Rev	N/A
November 5, 2007	\$ 37,500,000	Palo Alto, City of	CA	GO	N/A

NEGOTIATED

Week of	Amount	Issuer	State	Issue	Manager
November 5, 2007	\$ 110,000,000	El Paso, City of	TX	T\bl GO Pension	Citigroup
November 5, 2007	\$ 50,199,627	Hutto ISD	TX	GO	RBC Capital Markets
November 5, 2007	\$ 235,000,000	Houston, City of	TX	GO	Loop Capital
November 5, 2007	\$ 54,410,000	University of Oklahoma	OK	Rev	Merrill Lynch
November 5, 2007	\$ 85,335,000	New Orleans Aviation Board	LA	Rev	JPMorgan



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Maturity Schedules

Water and Wastewater System Revenue Refunding Bonds, Series 2007

<u>Maturity</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
11/15/2009	\$ 2,235,000	4 000%	3 400%	11/15/2024	\$4,470,000	4 700%	4 710%
11/15/2010	2,330,000	4 000%	3 470%	11/15/2025	4,685,000	4 750%	4 750%
11/15/2011	2,425,000	4 000%	3 590%	11/15/2026	4,920,000	5 000%	4 600%
11/15/2012	2,520,000	4 000%	3 710%	11/15/2027	5,170,000	5 000%	4 660%
11/15/2013	2,625,000	4 000%	3 770%	11/15/2028	5,435,000	5 000%	4 690%
11/15/2014	2,750,000	5 250%	3 840%	11/15/2029	5,715,000	5 000%	4 750%
11/15/2015	2,900,000	5 250%	3 920%	11/15/2030	6,010,000	5 000%	4 750%
11/15/2016	3,055,000	5 250%	4 010%	11/15/2031	6,315,000	5 000%	4 750%
11/15/2017	3,220,000	5 250%	4 090%	11/15/2032	6,640,000	5 000%	4 750%
11/15/2018	3,395,000	5 250%	4 180%	11/15/2033	6,980,000	5 000%	4 780%
11/15/2019	3,560,000	4 400%	4 410%	11/15/2034	7,340,000	5 000%	4 780%
11/15/2020	3,720,000	4 450%	4 480%	11/15/2035	7,715,000	5 000%	4 780%
11/15/2021	3,890,000	4 500%	4 550%	11/15/2036	8,110,000	5 000%	4 780%
11/15/2022	4,075,000	4 600%	4 620%	11/15/2037	8,530,000	5 000%	4 780%
11/15/2023	4,265,000	4 650%	4 660%				



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TIC: 4.757421%



Competitive Bids

W&WW Sys Rev Ref Bds, Ser 2007	
<u>Bidder Name</u>	<u>TIC</u>
Morgan Stanley & Co , Inc	4 757421%
Merrill Lynch & Co	4 773953%
Citigroup Global Markets, Inc	4 777225%
First Southwest Company	4 787330%
Lehman Brothers, Inc	4 798338%
Prager, Sealy & Co , Inc	4 809300%
Goldman, Sachs & Co	4 809342%
Southwest Securities, Inc	4 832435%
Piper Jaffray	4 842329%
UBS Securities LLC	4 845393%
Morgan Keegan & Co , Inc	4 862181%
Raymond James & Associates, Inc	4 862224%

UNDERLYING RATINGS

Fitch	AA-
Moody's	Aa3
S&P	A+



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